

Message Text

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ACTION EA-14

INFO OCT-01 ADP-00 PM-09 CIAE-00 INR-10 NSAE-00 RSC-01

AID-20 RSR-01 /056 W

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P 050810 Z MAY 73

FM AMEMBASSY PHNOM PENH

TO DIA PRIORITY

INFO SECSTATE WASHDC PRIORITY 1157

AMEMBASSY SAIGON PRIORITY

CINCPAC PRIORITY

USSAG NKP THAILAND PRIORITY

USDAO SAIGON PRIORITY

C O N F I D E N T I A L PHNOM PENH 4293

E. O. 11652: GDS

TAGS: EGEN

SUBJECT: POL STOCKS

1. POL STOCKS HELD BY ALL COMPANIES IN PHNOM PENH AS OF
050800 MAY 1973. QUANTITIES IN CUBIC METERS.

ITEM	QUANTITY	NO. DAYS SUPPLY
MOGAS	366	2.2;
(349 3,3	194	1.9
AUTO DIESEL OIL	688	4.6
INDUSTRIAL DIESEL	339	2.7
JP-1	554	55.4
JP-4	317	15.9
AVGAS 1 00/130	491	19.6
AVGAS 115/145	553	15.8
FUEL OIL	44	0.4

2. STOCKS AT PHNOM PENH POWER PLANTS:

VILLAGE CATHOLIQUE (DIESEL)	694	8.7
CHAK ANGRE (FUEL)	948	8.6

3. THE CONVOY SCHEDULED TO ARRIVE MAY 6 IS EXPECTED TO BRING
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THE FOLLOWING PRODUCTS:

MOGAS	400	2.4
INDUSTRIAL DU		
SEL	1,750	14.0
FUEL OIL	1,550	12.4
AVGAS 100/130	450	18.0
AVGAS 115/145	950	27.1

4. THE PRESENT STOCKS OF ALL PRODUCTS SHOULD LAST UNTIL THE ARRIVAL OF THE NST CONVOY DUE MAY 6. UNFORTUNATELY, NOT ALL THE 7 TANKERS SCHEDULED TO ARRIVE ARE COMING. YU CHANG, HAN SUENG II AND BOO HES HAVE NO PRESENT INTENTION TO DO SO. THEY SAY THEY HAVE BRIEFED CONSUMER GOVERNMENTS ON THIS LINE OF ACTION, AND HAVE ALSO SPOKEN TO YAMANI AND AMUZEGAR (FORMER WAS REPORTEDLY NON- COMMITTAL WHILE LATTER PROPOSED OWN COMPROMISE FORMULA, WHICH COMPANIES NOW STUDYING BUT WHICH APPEARS TO GIVE RESULTS SOMEWHAT SIMILAR TO THEIR OWN CURRENT PROPOSAL).

3. COMPANIES CONSIDER IT IMPORTANT THAT THEY RESIST OPEC TEAM' S DEMANDS, WHICH WOULD ESSENTIALLY INVOLVE SCRAPPING OF GENEVA AGREEMENT, PARTICULARLY SINCE TEAM' S DEMANDS EVIDENTLY NOT SUPPORTED BY MORE CONSERVATIVE OPEC MEMBERS. UK EMBASSY HERE HAS INFORMED US THAT HMG CONSIDERS COMPANIES' STAND IS CORRECT AND HAS REQUESTED OUR VIEWS.

4. ACTION: LONDON PLEASE INFORM HMG THAT WE AGREE COMPANIES' STAND CORRECT, AND THAT WE CONSIDER COMPANIES IN FAIRLY GOOD POSITION TO INSIST THAT OPEC HONOR BASIC TERMS ITS AGREEMENT SIGNED IN GENEVA LAST YEAR. OTHER CONSUMER STATE ADDRESSEES MAY, IF REQUESTED, SIMILARLY INFORM HOST GOVERNMENTS.

5. IN LIBYAN PARTICIPATION NEGOTIATIONS, WE UNDERSTAND FROM COMPANIES THAT LARG THROUGH JALUD TABLED VIRTUAL CONFIDENTIAL

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ULTIMATUM TO OASIS GROUP APRIL 30, STATING THAT ALL PREVIOUS DISCUSSIONS ON SUBJECT VOID AND THAT COMPANIES MUST NOW ACCEPT TERMS INVOLVING FULL LIBYAN CONTROL, FOR NET BOOK COMPENSATION, AND WITH COMPANIES TO PURCHASE OIL AT ANNUALLY AGREED PRICES. JALUD SAID COMPANIES MUST AGREE TO TERMS BY NEXT MEETING (DATE UNSPECIFIED) OR ELSE RISK BEING SHUT IN. COMPANIES, AND WE, BELIEVE THIS WOULD BE EQUIVALENT TO CONFISCATION. THEIR STRATEGY HAD PREVIOUSLY BEEN TO TRY TO SMOKE OUT LIBYAN TERMS BEFORE TABLING OWN PROPOSALS, ALTHOUGH INDUSTRY GUIDELINES FOR USE BY OASIS NEGOTIATORS HAD

LEFT GREAT DEAL OF FLEXIBILITY ON FORM OF EVENTUAL PROPOSALS (INCLUDING ACCEPTANCE OF IRANIAN MODEL), AS LONG AS FINANCIAL TERMS NOT PREJUDICIAL TO GULF GENERAL AGREEMENT. LONDON- BASED INDUSTRY STEERING GROUP HAS, HOWEVER, BEEN HAVING COMMUNICATIONS DIFFICULTIES WITH TRIPOLI (AND FULMAR UNABLE TO GET VISA); THEY CONSEQUENTLY UNINFORMED ON LATEST MEETING BETWEEN OASIS NEGOTIATOR SHAFER AND LARG AND AFRAID HE MAY NOT HAVE TAKEN FIRM ENOUGH POSITION TOWARD JALUD' S ULTIMATUM. OTHER COMPANIES ARE CONCERNED OASIS GROUP WILL CAVE IN, THROWING OPEN ONCE AGAIN IRANIAN AND SAUDI NEGOTIATIONS.

6. IN THIS RESPECT, COMPANIES INFORM US THEY HAVE INFORMATION THAT LARG IS SUCCESSFULLY SELLING 50-60,000 B/ D NATIONALIZED SARIR (BP) CRUDE TO LATSIS REFINERY IN GREECE. OASIS GROUP REPORTEDLY FEARS THIS MAY BE BREACH IN BOYCOTT DYKE WHICH WOULD ENCOURAGE LIBYANS TO NATIONALIZE THEM IF THEY DO NOT ACCEPT ULTIMATUM. OTHER COMPANIES EQUALLY CONCERNED AT SNOWBALL EFFECT THIS WOULD HAVE.

7. ACTION REQUESTED: ACTION ADDRESSEES PLEASE REPORT ANY INDICATIONS THAT LATSIS IS BUYING THIS NATIONALIZED OIL. LONDON SHOULD ASK HMG, IF POSITIVE EVIDENCE EXISTS, WHAT IF ANY ACTION IT INTENDS TO TAKE VIS A VIS GOG. YOU SHOULD SAY USG WOULD PROBABLY BE PREPARED TO FOLLOW HMG' S LEAD AND WOULD WELCOME ITS ADVICE. RUSH

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